

2022 Budget Notes

Housing Secretariat

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Description

The Housing Secretariat is responsible for: supporting the delivery of new affordable homes; preserving Toronto's existing affordable housing stock; and helping residents access and maintain safe, secure, adequate, affordable housing.

To help achieve our objectives, the Housing Secretariat:

- Oversees and supports implementation of the City's HousingTO 2020-2030 Action Plan and reports on progress towards the 10-year targets;
- Leads the development of effective systems-level housing policy and programs in collaboration with residents, City divisions and agencies; the non-profit, Indigenous and private sectors; and other orders of government;
- Administers federal, provincial and City investments that help build new affordable homes that support our climate actions and are climate resilient as well as improve the condition and climate resilience of existing affordable homes;
- Using a climate lens, continue, enhance and integrate inspection, repair and energy efficiency programs to reduce greenhouse gas emissions and to maximize impact for residents of aging rental buildings; and
- Provides strategic advice/support on housing issues to the City Manager, Deputy City Managers, Elected Officials, and key Intergovernmental partners.

The division's business functions in 2022 will be focused on the following key priority areas:

- Housing Development, Renewal & Improvement;
- Housing Policy & Strategy;
- Housing Stability Services; and
- Tenant Access & Support.

Why We Do It

The City's HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. The Plan is centred on a human rights-based approach to housing which recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, climate resilient, sustainable and liveable communities. The actions in the Plan also reflect and advance the City's commitment to the progressive realization of the right to adequate housing.

Creating new permanent affordable homes, as well as preserving the existing rental housing stock will increase the opportunity for equity-deserving groups, including Indigenous Peoples, Black people and other racialized groups, seniors, women, and members of the 2SLGBTQ+ community, to access safe, healthy and adequate housing.

Safe, adequate, affordable housing is an important determinant of health and supports improved health, housing and socio-economic outcomes for people. Safe, adequate, affordable housing is also a cornerstone of vibrant, healthy neighbourhoods and supports the climate actions/environmental and economic health of the city, region and country as a whole.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

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What Service We Provide

New Affordable Housing Development

Who We Serve: Low and moderate income residents, including those from equity-deserving groups

What We Deliver: Programs that support the creation of new affordable and supportive housing; assistance for low-and-moderate-income residents to purchase affordable homes through the City's Home Ownership Assistance Program (HOAP); the City's laneway housing program; home renovation programs that help low-income seniors and persons with disabilities complete safety, accessibility and energy efficiency upgrades; and the City's Tower Renewal Program that helps apartment building operators and residents make building improvements and revitalize the surrounding community while reducing greenhouse gas emissions.

How Much Resources (gross 2022 operating budget): \$68.0 million

Housing Improvement Programs

Who We Serve: Low and moderate income residents, including homeowners and renter households

What We Deliver: Assistance to lower-income residents, including seniors, persons with disabilities and rooming house residents; health, essential safety, accessibility and energy efficiency upgrades which reduce greenhouse gas emissions.

How Much Resources (gross operating budget): \$1.9 million

Housing Policy & Strategy

Who We Serve: Low and moderate income residents, including those from equity-deserving groups

What We Deliver: System-level housing policies and programs that help: increase the supply of new affordable homes; preserve and improve existing affordable homes; and improve access to affordable homes. We also monitor and report on delivery of the HousingTO 2020-2030 Action Plan, as well as develop and maintain strategic partnerships with key internal and external stakeholders to support its delivery.

How Much Resources (gross 2022 operating budget): \$2.3 million

The following Service will be transferred from Shelter, Support & Housing Administration to the Housing Secretariat in 2022 as part of Housing Secretariat's transformation.

Housing Stability Services

Who We Serve: Low and moderate income residents, including those from equity-deserving groups

What We Deliver: Service system management including funding and oversight of 250 housing providers, 92,040 social and affordable housing units, including 59,000+Toronto Community Housing Corporation housing units. We also administer over 7,100 Housing Allowances.

How Much Resources (gross 2022 operating budget): \$562.8 million

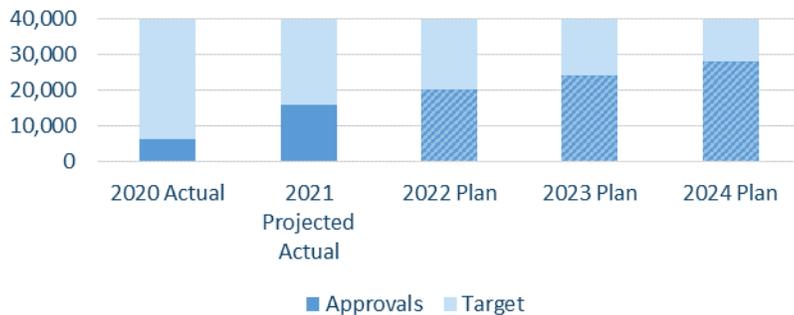
Budget at a Glance*

2022 OPERATING BUDGET				2022 - 2031 10-YEAR CAPITAL PLAN			
\$Millions	2022	2023	2024	\$Millions	2022	2023-2031	Total
Revenues	\$69.464	\$23.337	\$17.061	Gross Expenditures	\$398.274	\$572.533	\$970.807
Gross Expenditures	\$72.312	\$26.277	\$19.787	Debt	\$154.736	\$509.300	\$664.036
Net Expenditures	\$2.848	\$2.940	\$2.726				
Approved Positions	54.0	58.0	58.0				

Note: Includes 2021 carry forward funding

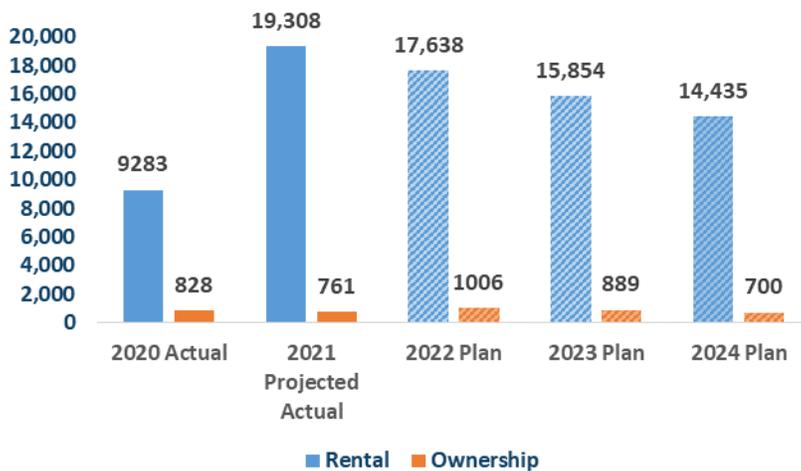
How Well We Are Doing – Behind the Numbers

Approaching 40,000 Affordable Rental Home Approvals



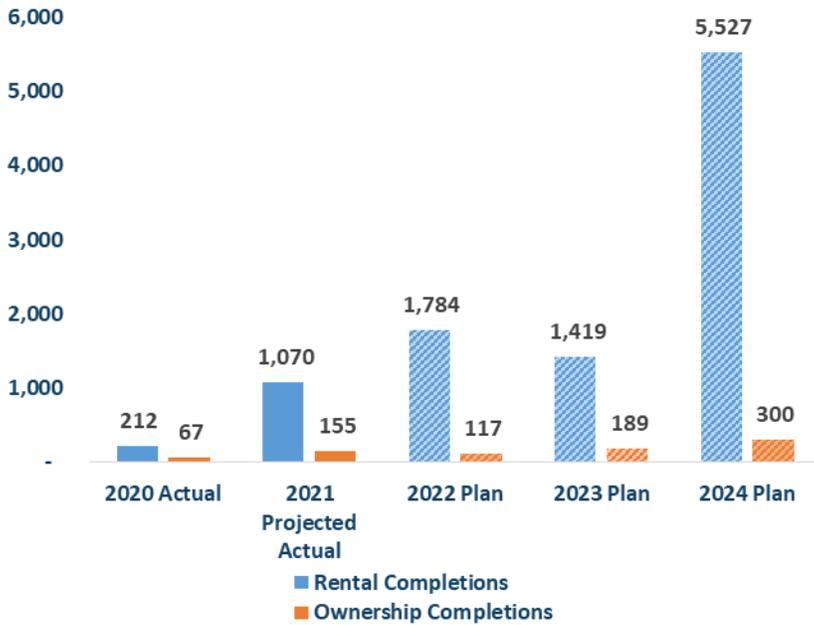
- The HousingTO 2020-2030 Action Plan sets an approval target of 40,000 affordable rental homes, including 18,000 supportive homes by 2030.
- Within the first two years, the City has already achieved just over 40% of this 10-year target or over 16,000 units with City's investment of \$2.3 billion. The HousingTO target of an estimated 28,000 affordable rental home approvals (70% of the 10-year target of 40,000 units) is achievable by 2024 with the necessary federal/ provincial funding commitments.

Number of New Affordable Rental & Ownership Homes Under-Development Year-Over-Year (Cumulative)



- The cumulative new affordable homes under development represent the development pipeline. Projections assume new annual ownership approvals of 400 units in years 2022-2024; and new rental approvals of 9,900 units in 2021; and 4,000 units per year in years 2022-2024.
- New units will be added to the pipeline on an ongoing basis as projects are approved by City Council. Additionally, pipeline fluctuations from 2022 – 2024 are due to projects/ units being completed.
- The increasing number of units under development in years 2020 and 2021 reflects higher federal, provincial and City investments in 3 initiatives: (1) Housing Now, (2) Modular Supportive Housing, and (3) Federal Rapid Housing Initiative.

Number of New Affordable Rental & Ownership Homes Completions Year-Over-Year



- The Housing Secretariat has financial stewardship for delivering federal, provincial and City funding that deliver new affordable rental, including supportive homes.
- We allocate funding and support delivery of projects over their typical development lifecycle which is 3 to 5 years for traditional construction and 1 year for modular construction.
- Annual projected completions include Modular Supportive Housing and 'shovel-ready' projects with expedited development cycles.

How Well We Are Doing

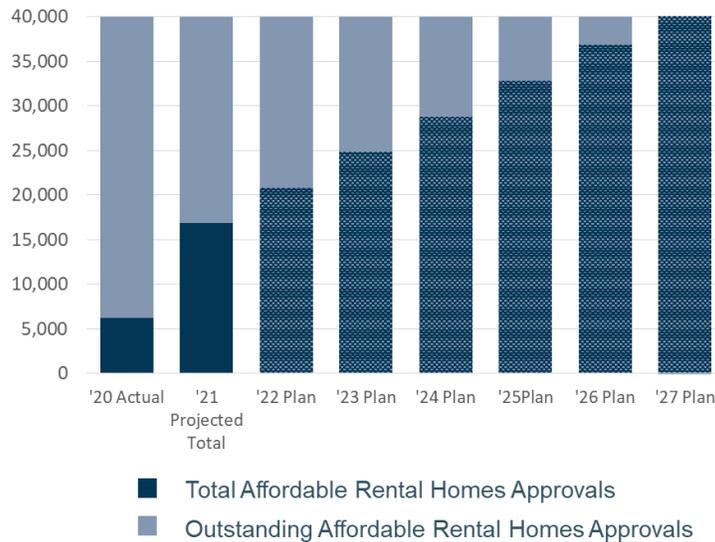
Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Outcome Measures								
Housing Development	Affordable Rental Homes Completed	366	212	1,680	1,070	●	1,784	1,419
Housing Development	Affordable Rental Housing Approved	1,129	6,257	4,000	9,900	●	4,000	4,000
Home Ownership Assistance	Ownership Completions	104	67	110	155	●	117	189
Housing Improvements	Housing Improvement Project Completions	683	194	1,913	1,933	●	2,000	300

HousingTO 2020-2030 Action Plan



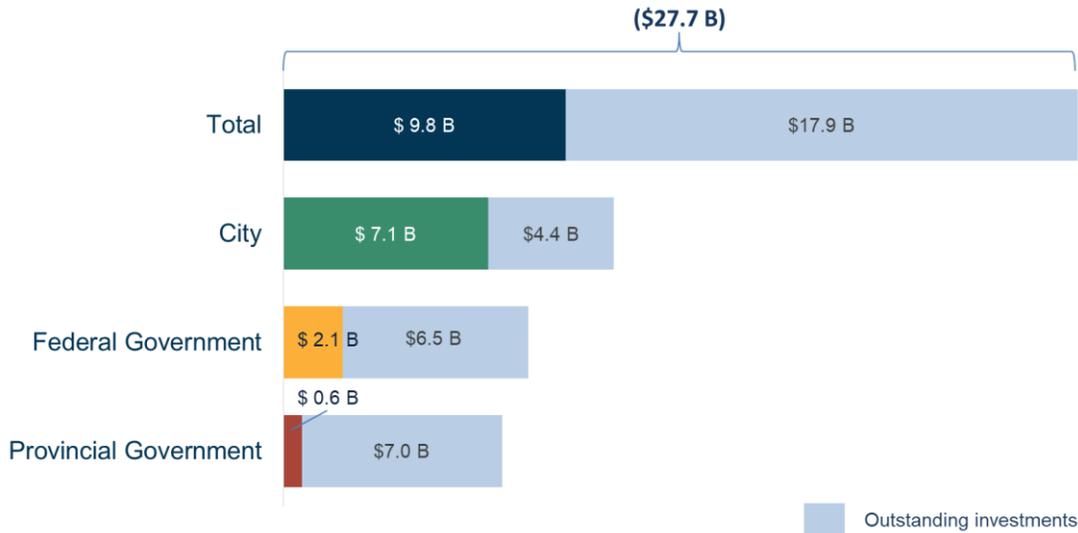
- The HousingTO 2020-2030 Action Plan, Canada’s first human rights-based housing plan, was adopted by City Council in December 2019. It is the City’s umbrella housing and homelessness plan, and provides a blueprint for actions and investments across the full housing continuum over the next 10 years.
- The Plan aims to assist over 341,000 households in Toronto through a number of actions to increase housing affordability. One key action is approving 40,000 new affordable rental units, including 18,000 supportive housing units.
- Based on current trends and the pace of project approvals, it is estimated that the 40,000 new homes approval target can be achieved by 2027 provided that the federal and provincial governments provide their share of funding to deliver the HousingTO Plan, including:
 - Continued and enhanced investments from the federal government through the National Housing Strategy and other programs; and
 - Continued and enhanced investments from the provincial government including a long-term commitment for ongoing operating funding for supportive housing.

Approaching 40,000 Affordable Rental Home Approvals



Cost to deliver the HousingTO Plan

Successful implementation of the HousingTO Plan is expected to cost all three orders of government approximately \$27.7 billion.



The breakdown of required investments and commitments to-date are as follows:

- City investments of approximately \$11.5 billion (approximately \$7.1 billion committed to-date), including
 - \$2.5 billion in fully funded direct capital investments plus
 - \$5.3 billion in direct incentives in the form of land and foregone revenues; and
- Federal investments of approximately \$8.6 billion (approximately \$2.1 billion committed to-date) including
 - \$1.3 billion towards capital repair program of TCHC homes;
 - \$353.7 million in capital funding towards approval of 20,000 affordable and Supportive homes;
 - \$124.4 million in Reaching Home funding (2019-2024); and
- Provincial investments of approximately \$7.6 billion (approximately \$600 million committed to-date) including
 - \$352.9 million through Community Homelessness Prevention Initiative (2020-23);
 - \$92.9 million in funding for the redevelopment of Carefree Lodge, including addition of new beds (approved in 2020);
 - \$73.4 million through Home for Good Program (2020-23); and
 - \$15.4 million in operating funding towards approval of 2,000 supportive home created in 2021/22.

Achieving the overall targets in the HousingTO Plan will require continued contributions in existing programs as well as new and enhanced investments from all orders of government. Contributions and participation from the non-profit and private sectors will also be necessary to achieve the targets.

COVID-19 IMPACT AND RECOVERY

2022 Impact and Recovery

Operating Budget Impact

- N/A

Service Level Changes

- N/A

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

Over the past year, the City, in collaboration with partners across various sectors, has:

- Pivoted from costly emergency responses to homelessness to more sustainable permanent housing solutions aligned with the City's commitment to the progressive realization of the right to adequate housing.
- Opened 120 homes with support services dedicated to women experiencing homelessness at 389 Church Street.
- Opened the first two energy-efficient modular supportive housing buildings within nine months of first approval by the City Council for 100 people experiencing homelessness.
- Made significant progress on delivering the 24-month COVID-19 Housing and Homelessness Response Plan through the federal Rapid Housing Initiative which will help create a minimum of 2,000 new permanent supportive homes for people experiencing homelessness by end of 2022.
- Partnered with Toronto Community Housing Corporation to create 450 supportive housing opportunities for people experiencing homelessness using vacant rent-geared-to-income apartments and layering on support services secured through the province.
- Entered into a partnership with United Property Resource Corporation to unlock the value of their real estate assets and help create 500 affordable homes over the next five to seven years.
- Developed a Memorandum of Understanding with Miziwe Biik Development Corporation to establish them as the main intermediary between the City and Indigenous housing providers to support the creation of 5,200 new affordable rental and supportive homes "for Indigenous by Indigenous" across the city.
- Supported renters by establishing a permanent Tenant Advisory Committee on the Protection of Affordable Rental Housing; launched a new renter hub on the City's website (www.toronto.ca/renterhelp), and created the City's first Eviction Prevention Handbook.
- Advanced a new affordable housing definition linked to the income of low-and-moderate-income renters which will help to attract and retain key workers in our city.
- Established a new Multi-Unit Residential Acquisition program aimed at protecting the existing supply of rental homes by removing market rental buildings from the speculative market and securing them as permanently affordable housing.
- Advanced the Concept 2 Keys pilot demonstrating success with expediting and prioritizing affordable housing projects.
- Made strong progress on advancing the Housing Now Initiative with development partners selected for the first three sites plus a commitment of over \$1.3 billion in land, financial incentives, and staffing resources making it possible for the City to achieve over 50% of its ten-year 10,000 affordable homes approval target in less than three years.

Key Challenges and Risks

- Consolidation of several functions from divisions across the City into the Housing Secretariat including Housing Stability Services and Eviction Prevention In the Community (EPIC) Program from Shelter, Support & Housing Administration.
- Need for new and enhanced federal and provincial investments to address current housing challenges which have been exacerbated by the COVID-19 pandemic including: growth in the homeless population; job losses for many of the city's low-and-moderate income earners; an increase in the number of households in arrears and at risk of evictions; and an increasingly unaffordable housing market where cost of housing has grown faster than incomes over the last decade.
- Market conditions and supply chain issues impacting the cost and delivery of new housing development projects, as well as repairs to existing affordable housing.

Priority Actions

As the City, province and country move towards recovery from the global pandemic, it is more important than ever to acknowledge the importance of affordable housing in driving economic prosperity and addressing climate action while also creating sustainable, inclusive, equitable, and climate resilient communities.

In 2022, the Housing Secretariat will continue to focus on the following key priorities:

- **Supporting the Housing Secretariat's expanded mandate** – adding additional resources to the Housing Secretariat and streamlining housing functions/services will support the division's expanded mandate focused on implementation of the HousingTO 2020-2030 Action Plan.
- **Increase the supply of people-focused supportive housing** – advocate for additional funding from the federal and provincial governments to deliver more supportive homes to move people experiencing homelessness into permanent housing with supports.
- **Scale up the supply of purpose-built affordable rental homes:**
 - Advance 21 Housing Now sites that are expected to deliver approximately 11,200 rental homes including approximately 5,600 affordable rental homes, and creating a pipeline of future sites in early pre-development stages.
 - Continue to incentivize the development of affordable rental homes on land owned by the non-profit and private sectors through the Open Door program.
- **Support equity-deserving groups and climate action:**
 - Continue to prioritize the creation of 5,200 affordable homes for Indigenous by Indigenous by 2030 in partnership with Miziwe Biik Development Corporation.
 - Increase affordable housing opportunities for Black and other racialized people, women, seniors, 2SLGBTQ+ and gender diverse people, people with disabilities, essential workers and students.
 - Continue to leverage City resources and programs to support the climate action including retrofitting of existing residential buildings.
- **Continue to help renters:**
 - Use portable housing benefits through the Canada-Ontario Housing Benefit program to help move people out of homelessness and off the social housing waitlist.
 - Prevent potential loss of existing rental housing such as rooming houses at risk of being lost to the speculative market.
 - Ensure a fair and transparent process for tenancing new affordable rental homes.
 - Bring more buildings to a state of good repair through coordination of repair and retrofit funding programs, along with compliance monitoring and enforcement approaches.
- **Develop the City's first Housing Data Strategy** – the Housing Data Strategy will be developed in multiple stages with the objective of providing data and evidence to guide decision-making and investments, supporting Housing Secretariat division in delivering its mandate, and ultimately, helping improve housing service delivery and outcomes for Toronto residents.
- **Continued Focus on Cross-Sector Partnerships** – Continue to work with a wide range of partners and across various sectors other (orders of government, broader public sector institutions, health care partners, non-profit and Indigenous organizations, business leaders and the academic sector) in the planning and delivery of a range housing solutions. This collaborative, systems-level approach is essential for Toronto to appropriately respond to current and future housing needs, and remain an inclusive, global city where everyone has equal opportunity.

RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2022 Operating Budget for Housing Secretariat of \$72.312 million gross, \$69.464 million revenue and \$2.848 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
New Affordable Housing Development	68,035.3	66,973.7	1,061.7
Housing Improvement Programs	1,949.0	1,243.2	705.9
Housing Policy & Partnerships	2,327.4	1,246.9	1,080.4
Total Program Budget	72,311.7	69,463.8	2,848.0

2. City Council approve the 2022 staff complement for Housing Secretariat of 54.0 positions comprised of 4.0 capital positions and 50.0 operating positions.
3. City Council approve the 2022 Capital Budget for Housing Secretariat with cash flows and future year commitments totaling \$970.807 million as detailed by project in [Appendix 6a](#).
4. City Council approve the 2023-2031 Capital Plan for Housing Secretariat totalling \$572.533 million in project estimates as detailed by project in [Appendix 6b](#).
5. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2022 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs

2022 OPERATING BUDGET

2022 OPERATING BUDGET OVERVIEW

Table 1: 2022 Operating Budget by Service

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
New Affordable Housing Development	43,159.3	73,248.5	44,117.4	66,265.6	708.1	66,973.7	22,856.2	51.8%
Housing Improvement Programs	381.9	826.4	632.7	535.1	708.1	1,243.2	610.5	96.5%
Housing Policy & Partnerships	373.0	830.2	632.7	538.9	708.1	1,246.9	614.3	97.1%
Finance & Business Strategic Support		260.3						N/A
Total Revenues	43,914.2	75,165.4	45,382.8	67,339.6	2,124.2	69,463.8	24,081.0	53.1%
Expenditures								
New Affordable Housing Development	43,711.6	74,503.1	45,550.1	67,012.2	1,023.2	68,035.3	22,485.2	49.4%
Housing Improvement Programs	701.2	989.9	756.6	1,013.2	935.8	1,949.0	1,192.5	157.6%
Housing Policy & Partnerships	688.4	990.4	757.1	1,013.9	1,313.4	2,327.4	1,570.3	207.4%
Finance & Business Strategic Support		363.0						N/A
Total Gross Expenditures	45,101.2	76,846.4	47,063.7	69,039.3	3,272.4	72,311.7	25,248.0	53.6%
Net Expenditures	1,187.0	1,681.0	1,681.0	1,699.7	1,148.2	2,848.0	1,167.0	69.4%
Approved Positions**	28.0	33.0	N/A	33.0	21.0	54.0	N/A	N/A

*2021 Projection based on Q3 Variance Report

**YoY comparison based on approved positions

COSTS TO MAINTAIN EXISTING SERVICES

Total 2022 Base Budget expenditures of \$69.039 million gross reflecting an increase of \$21.976 million in spending above 2021 projected year-end actuals (prior to enhancements), predominantly arising from:

- Adjustments to affordable rental development projects expenditures, fully funded by reserves and provincial funding with no net impact; and
- Inflationary increases in Salaries and Benefits fully offset by the recognition of higher federal-provincial grant revenues and reserve funds.
- There are no COVID impacts for 2021/2022 budget for Housing Secretariat.

COSTS TO ENHANCE SERVICES

New and Enhanced Service expenditures of \$3.272 million gross, \$1.148 million net enabling:

- Funding of \$3.1 million gross, \$1.0 million net and 21 full-time permanent positions in 2022 to support the implementation of the expanded mandate of the Housing Secretariat as the City's housing lead and enable effective resourcing and implementation for delivery of the HousingTO 2020-2030 Action Plan.
- Funding of \$0.150 million gross and net to support the delivery of the City's Black Food Sovereignty Plan aimed at addressing chronic food insecurity faced by Black residents by addressing systemic and structural barriers (such as racism and lack of access to affordable housing), while increasing access, opportunity and ownership over their local food systems. Actions to support this Plan will include identifying opportunities for Black residents to grow food (including vegetables, and/or fruit, nut trees), on new affordable housing and supportive housing sites, and helping them to create local food systems.

EQUITY IMPACTS OF BUDGET CHANGES

High-Position equity impact: The changes in Housing Secretariat's 2021 Operating Budget have a high-positive equity impact.

2022 OPERATING BUDGET KEY DRIVERS

The 2022 Operating Budget for Housing Secretariat of \$25.248 million gross is 53.6% higher than the 2021 Projected Actuals. Table 2a below summarizes the Operating Budget by revenue and expenditure category, while Table 2b summarizes New and Enhanced requests

Table 2a: 2022 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2019 Actual	2020 Actual	2021 Budget	2021 Projection*	2022 Budget	2022 Change from 2021 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies	23,306.0	31,470.5	30,601.3	17,514.9	28,114.1	10,599.2	60.5%
Transfers From Capital					664.6	664.6	
Contribution From Reserves/Reserve Funds	31,633.5	12,344.5	44,382.4	27,686.2	40,498.8	12,812.6	46.3%
Sundry and Other Revenues			50.0	50.0	50.0		
Inter-Divisional Recoveries	158.4	99.2	131.7	131.7	136.3	4.6	3.5%
Total Revenues	55,098.0	43,914.2	75,165.4	45,382.8	69,463.8	24,081.0	53.1%
Salaries and Benefits	2,746.5	2,576.1	4,234.9	3,334.9	5,650.6	2,315.7	69.4%
Materials & Supplies	10.7	2.4	18.2	18.2	37.0	18.9	103.9%
Equipment	9.7	7.5	8.0	8.0	89.2	81.2	1015.3%
Service and Rent	9,503.2	4,863.7	657.3	657.3	1,737.3	1,080.0	164.3%
Contribution To Reserves/Reserve Funds	16.2	6.2	20.9	20.9	58.2	37.3	179.0%
Other Expenditures	43,302.0	37,566.0	71,866.1	42,983.5	64,686.1	21,702.6	50.5%
Inter-Divisional Charges	689.8	79.4	41.0	41.0	53.3	12.2	29.8%
Total Gross Expenditures	56,278.1	45,101.2	76,846.4	47,063.7	72,311.7	25,248.0	53.6%
Net Expenditures	1,180.1	1,187.0	1,681.0	1,681.0	2,848.0	1,167.0	69.4%

*2021 Projection based on Q3 Variance Report

Key Drivers:**Salaries and Benefits:**

2022 budget includes 21 new positions required for the implementation of the Housing Secretariat Transformation initiative.

Services and Rents:

Increase reflects higher expenditures for consulting services to support public consultations and help build capacity in the non-profit sector to support new affordable and supportive housing development.

Other Expenditures:

Increase reflects adjustments to affordable rental development projects expenditures, fully funded by reserves and federal/provincial funding with no net impact.

Revenues

Increase in revenues (to match adjustments to affordable rental development project expenditures), funded through federal and provincial affordable housing programs. Reserve Fund draws include operating funding for affordable rental and homeownership programs.

Table 2b: 2021 New / Enhanced

New / Enhanced Request	2022				2023 Annualized Gross	Equity Impact	Supports Climate Initiatives	AG Recs	Supports Key Outcome / Priority Actions	
	Revenue	Gross	Net	Positions						
In \$ Thousands										
1	Housing Secretariat Transformation	2,124.2	3,122.4	998.2	21.0	2,938.9	High-positive	Yes	No	Support the delivery of the HousingTO 2020-2030 Action Plan.
2	Black Food Sovereignty Plan		150.0	150.0			Medium-positive	No	No	Support the delivery of the City's Black Food Sovereignty Plan.
Total New / Enhanced		2,124.2	3,272.4	1,148.2	21.0	2,938.9				

The 2022 Operating Budget includes \$3.272 million in investments to support priority actions as detailed in the table above.

Housing Secretariat Transformation (\$3.122 million gross, \$0.998 million net)

- Provide the Housing Secretariat with the appropriate resources to deliver on its expanded mandate as the City's housing lead, responsible for overseeing delivery of the HousingTO 2020-2030 Action Plan.
- Changes to the housing policy, planning and delivery functions, including the addition of 21 new positions to fill identified service gaps, will enhance the division's capacity to deliver on its mandate.

Black Food Sovereignty Plan (\$0.150 million gross, \$0.150 million net)

- Supporting the delivery of the City's Black Food Sovereignty Plan aimed at addressing chronic food insecurity faced by Black residents by addressing systemic and structural barriers (such as racism and lack of access to affordable housing), while increasing access, opportunity and ownership over their local food systems. Actions to support this Plan will include identifying opportunities for Black residents to grow food (including vegetables, and/or fruit, nut trees), on new affordable housing and supportive housing sites, and helping them to create local food systems.

Note:

1. For additional information on 2022 key cost drivers refer to [Appendix 2](#) and [Appendix 4](#) for the 2022 New and Enhanced Service Priorities.

2023 & 2024 OUTLOOKS**Table 3: 2023 and 2024 Outlooks**

(\$000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	45,382.8	69,463.8	23,336.5	17,061.4
Gross Expenditures	47,063.7	72,311.7	26,276.9	19,787.1
Net Expenditures	1,681.0	2,848.0	2,940.4	2,725.6
Approved Positions	N/A	54.0	58.0	58.0

Key drivers

The 2023 Outlook with total gross expenditures of \$26.273 million reflects an anticipated \$46.034 million or 63.66 per cent decrease in gross expenditures below the 2022 Operating Budget; The 2024 Outlooks expects a further decrease of \$6.490 million or 24.70 per cent below 2023 gross expenditures.

These changes arise from the following:

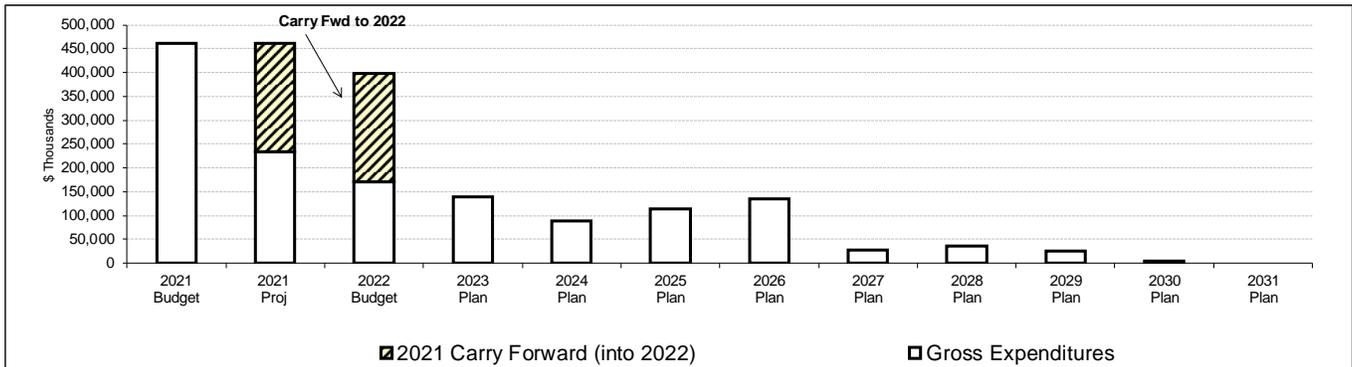
- **Affordable Rental Development Projects**

Lower expenditures and revenues in 2023 and 2024 are reflective of current projects in the pipeline. With future federal/provincial funding being secured, additional units will be added to achieve HousingTO targets, but will require additional funding from all orders of government (please refer to the Chart on Page 8).

**2022 – 2031
CAPITAL BUDGET AND PLAN**

2022 – 2031 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview
((\$000))



In \$000's	2022 Capital Budget and 2023 - 2031 Capital Plan													Total 10 Year Plan
	2021		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
	Budget	Projection												
Gross Expenditures by Project Category:														
Health & Safety & Legislated SOGR														
Service Improvement & Growth	462,220	234,822	398,274	139,414	88,657	115,072	135,400	26,870	36,750	25,430	4,940		970,807	
Total by Project Category	462,220	234,822	398,274	139,414	88,657	115,072	135,400	26,870	36,750	25,430	4,940		970,807	
Financing:														
Debt			154,736	133,882	74,670	104,108	129,500	20,900	30,200	16,000	40		664,036	
Reserves/Reserve Funds	24,999	11,142	16,305	644						2,200	3,000		22,149	
Development Charges	31,600	970	62,837	836	8,922	9,712	5,900	5,970	6,550	7,230	1,900		109,857	
Provincial				3,150									3,150	
Federal	342,266	194,826	158,107										158,107	
Debt Recoverable	63,355	27,884	3,139	4,052	5,065	1,252							13,508	
Other Revenue														
Total Financing	462,220	234,822	398,274	139,414	88,657	115,072	135,400	26,870	36,750	25,430	4,940		970,807	

Changes to Existing Projects
(\$638.1 Million)

The 2022-2031 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2022-2030):

- \$637.26 million – Fully funding the City's commitment to Housing Now
- \$0.98 million – City-led Rental Development

New Projects
(\$12.5 Million)

The 2022-2031 Capital Budget and Plan includes new projects. Key projects are as follows:

- \$12.50 million – City Strategic Acquisitions

Capital Needs Constraints
(\$621.2 Million)

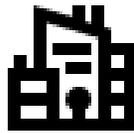
Housing Secretariat has three unmet projects over the 10-year planning horizon:

- \$247.10 million – Modular Housing
- \$261.34 million – Rental Development
- \$100.00 million – Strategic City Acquisitions

Note:

For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2022 and 2023-2031 Capital Budget & Plan by project; and [Appendix 8](#) for Capital Needs Constraints, respectively.

2022 – 2031 CAPITAL BUDGET AND PLAN**\$970.8 Million 10-Year Gross Capital Program**

				
Housing Now Initiative ✔	Supportive Housing ✔	City-led Rental Development ✔	Strategic City Acquisitions ✔	Tower Renewal ✔
\$677.0 M 69.7%	\$235.0 M 24.2%	\$32.8 M 3.4%	\$12.5 M 1.3%	\$13.5 M 1.4%
Between 2020 and 2030, the Housing Now Initiative aims to deliver 10,000 new affordable rental homes within transit-oriented, mixed-income, mixed-use, complete communities by leveraging City-owned land.	Between 2020 and 2030, the City aims to approve 18,000 new supportive homes, to be delivered through partnerships with the federal and provincial governments. This target includes 1,000 modular supportive homes.	Between 2020 and 2030, this program aims to support delivery of 1,500 new affordable rental homes using smaller City-owned, underutilized sites.	By 2030, the City aims to acquire 500 market rental homes which are at-risk of being lost, and convert to permanently affordable rental homes.	Support a program to deliver holistic retrofit investments at older apartment buildings in Neighbourhood Improvement Areas, low-income census tracts and areas with low socio-economic indicators across Toronto.

✔ - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

How the Capital Program is Funded

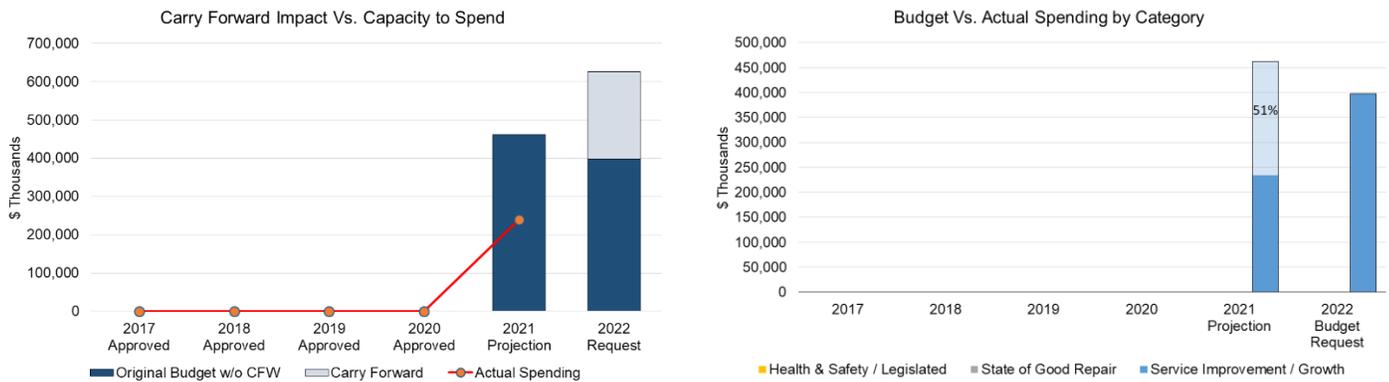
City of Toronto		Provincial Funding		Federal Funding	
\$810 M 83.4%		\$3 M 0.3%		\$158 M 16.3%	
Debt	\$ 664 M	Grants	\$ 3 M	Grants	\$ 158 M
Recoverable Debt	\$ 14 M				
Reserve / Reserve Fund	\$ 22 M				
Development Charges	\$ 110 M				

CAPACITY TO SPEND REVIEW

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with Housing Secretariat's ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2021 underspending that will be carried forward into 2022 to complete capital work.

Chart 2 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

Based on an analysis of historical capital spending constraints and a capacity to spend review, \$227.398 million in capital spending originally cash flowed in 2021 has been deferred to 2022. Further adjustments to the Capital Plan are noted below:

- \$132 million in Federal Rapid Housing Initiative (RHI) Phase 2 funding was added to Housing Secretariat's Capital Budget and Plan through an in-year budget adjustment. As these funds are to be fully spent by the end of 2022, they are included the 2022 project cash flows for the Rapid Housing Initiative as carry forward funding from 2021.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

To achieve the supportive housing targets identified in the HousingTO 2020-2030 Action Plan, annual ongoing operating funding commitments from the federal and provincial governments will be necessary.

Support funding requirements for 2,000 supportive housing units of \$27.6 million prorated for 2022 and \$48.0 million from 2023 going forward is reflected in SSHA's 2022 Recommended Operating Budget. The City continues to request the provincial government to provide a long-term commitment for ongoing operating funding for supportive housing in Toronto.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

N/A

Appendix 2

2022 Balancing Actions

N/A

Appendix 3

Summary of 2022 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

Form ID		Community and Social Services Program - Housing Secretariat	Adjustments				2023 Plan Net Change	2024 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

25566		Housing Secretariat Transformation					
74	Positive	Description:					

Funding of \$3.1 million gross, \$1.0 million net and 21 full-time permanent positions in 2022 to support the implementation of the expanded mandate of the Housing Secretariat as the City's housing lead and enable effective resourcing and implementation for delivery of the HousingTO 2020-2030 Action Plan.

Service Level Impact:

The Housing Secretariat (HS) Transformation initiative will implement the approved recommendations to resource it appropriately to deliver on its mandate as the City's housing lead. This mandate is critical to addressing the increasingly challenging housing situation and to preventing homelessness in Toronto.

Equity Statement:

The Housing Secretariat's proposed budget, which will support the division's transformation, is 'Positive High' in overall equity impact. The re-organization of the housing policy, planning and delivery functions, including the 21 new proposed FTEs to fill identified service gaps, will enhance the division's capacity to deliver on its mandate as the City's housing lead responsible for supporting delivery of the HousingTO 2020-2030 Action Plan (HousingTO Plan). The HousingTO Plan includes a number of actions and targets to support over 341,000 low-income households including equity-deserving groups that are disproportionality impacted by homelessness and housing instability in Toronto. This includes Indigenous Peoples, Black and other racialized people, seniors, women, members of the 2SLGBTQ+ community, gender diverse people, and people with disabilities. Key targets include approving 40,000 new affordable rental homes, including 18,000 supportive homes for people experiencing homelessness and those with disabilities. An intersectional analysis completed also reveals that enhancing the capacity of the Housing Secretariat to deliver the HousingTO Action Plan will enable the division to better identify and respond to complex, intersecting identities and its compounding effects on housing outcomes. Access to safe, adequate, affordable housing is a key component of the City's poverty reduction efforts, as it is an important determinant of individual, population and environmental health. In addition, it is a primary improves the social and economic status of individuals, families and communities. Good quality, affordable housing is also the cornerstone of vibrant and healthy neighbourhoods.

Service: Housing Improvement Programs

Total Staff Recommended Changes:	935.8	708.1	227.7	7.00	109.2	5.1
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Service: Housing Policy & Partnerships

Total Staff Recommended Changes:	1,163.4	708.1	455.4	6.99	109.1	(224.9)
Service: New Affordable Housing Development						
Total Staff Recommended Changes:	1,023.2	708.1	315.1	7.01	22.2	5.1
Staff Recommended New/Enhanced Services:	3,122.4	2,124.2	998.2	21.00	240.4	(214.7)

25616	
74	Positive

Black Food Sovereignty Plan

Description:

Funding of \$0.150 million gross and net to support the implementation of a Black Food Sovereignty Plan that increases access, influence, ownership and control that Black Torontonians have over the cultivation, cost, quality and distribution of their food and food systems. Specifically, this Plan will address food insecurity issues that disproportionately impact Black communities and establish sustained supports and funding for food focused Black-led, Black-serving, and Black-mandated organizations and infrastructure.

Service Level Impact:

The approved funding will support community engagement activities and communications, the establishment of a Toronto Black Food Sovereignty Alliance led by food-focused Black community organizations and leaders, and community conferences on advancing Black food sovereignty. There will be increased food security and sovereignty among Toronto's Black residents and access to affordable, healthy and culturally appropriate food for Black residents will be enhanced. It is projected that this Plan will impact approximately 100 000 residents each year through a variety of community food planting, growing, distribution, and information-sharing services across the City.

Equity Statement:

The Black Food Sovereignty Plan budget proposals' overall equity impact is medium positive. Black residents' access to food will be positively impacted. Through this proposal, the Housing Secretariat will be supporting the goals of the City's Black Food Sovereignty Plan, in particular providing access to new affordable housing and supportive housing sites where a variety of community food planting, growing, distribution, and information-sharing services will take place. The Plan is projected to impact approximately 100,000 Black Torontonians. Black families are 3.5 times more likely to be food insecure, compared to White families, with 36.6 percent of Black children living in food insecure households.

Service: Housing Policy & Partnerships

Total Staff Recommended Changes:	150.0	0.0	150.0	0.00	(150.0)	0.0
Staff Recommended New/Enhanced Services:	150.0	0.0	150.0	0.00	(150.0)	0.0

Summary:

Staff Recommended New / Enhanced Services:	3,272.4	2,124.2	1,148.2	21.00	90.4	(214.7)
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Appendix 5

Summary of 2022 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2022 Capital Budget; 2023 - 2031 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
HS001	Housing Now	124,160	134,960	74,670	113,820	135,400	26,870	36,750	25,430	4,940		677,000			677,000
HS002	Supportive Housing	235,027										235,027			235,027
HS003	City-led Rental Development	23,448	402	8,922								32,772			32,772
HS004	Strategic City Acquisitions-2022	12,500										12,500			12,500
HS005	Taking Action on Tower Renewal Program	3,139	4,052	5,065	1,252							13,508			13,508
Total Expenditures (including carry forward from 2021)		398,274	139,414	88,657	115,072	135,400	26,870	36,750	25,430	4,940		970,807			970,807

✔ - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

Appendix 6a

2022 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	Total 2022 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
HS001	Housing Now	124,160	134,960	74,670	113,820	135,400	26,870	36,750	25,430	4,940		677,000	39,743	637,257	
HS002	Supportive Housing	235,027										235,027	196,399		38,628
HS003	City-led Rental Development	23,448	402	8,922								32,772	16,186		16,586
HS004	Strategic City Acquisitions	12,500										12,500			12,500
HS005	Taking Action on Tower Renewal Program	3,139	4,052	5,065	1,252							13,508	13,508		
Total Expenditures (including carry forward from 2021)		398,274	139,414	88,657	115,072	135,400	26,870	36,750	25,430	4,940		970,807	265,836	637,257	67,714

Appendix 6b

2023 - 2031 Capital Plan

Project Code	(In \$000s)	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
HS001	Housing Now	134,960	74,670	113,820	135,400	26,870	36,750	25,430	4,940		552,840			552,840
HS003	City-led Rental Development	402	8,922								9,324			9,324
HS005	Taking Action on Tower Renewal Program	4,052	5,065	1,252							10,369			10,369
Total Expenditures (including carry forward from 2021)		139,414	88,657	115,072	135,400	26,870	36,750	25,430	4,940		572,533			572,533

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Summary of Capital Needs Constraints

(In \$ Millions)

Project Description	Total Project	Non-Debt Funding	Debt Required	Cash Flow (In \$ Thousands)									
				2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<i>Modular Housing</i>	247,100		247,100		105,300	64,800	33,900	43,100					
<i>Rental Development</i>	261,339	61,339	200,000		57,139	19,200	20,000	30,000	30,000	35,000	35,000	35,000	
<i>Strategic City Acquisitions</i>	100,000	100,000			12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	
Total Needs Constraints (Not Included)	621,242	168,240	453,002		181,840	102,402	66,400	85,600	42,500	47,500	47,500	47,500	

Appendix 9

2022 User Fee Changes

(Excludes User Fees Adjusted for Inflation)

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds 2022 Operating Budget and 2022 – 2031 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2021 *	Contributions / (Withdrawals)										Total
			2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	
XR2116	Beginning Balance	120,977	134,381	50,313	58,650	60,516	60,513	60,541	60,519	60,516	60,514	60,535	
Development Charges Reserve Fund for Subsidized Housing	Withdrawals (-)												
	Capital	- 6,295	- 62,837	- 836	- 8,922	- 9,712	- 5,900	- 5,790	- 6,550	- 7,230	- 1,900		-109,677
	Operating	- 9,649	- 45,764	- 23,536	- 21,922	- 23,000	- 25,000	- 25,160	- 25,000	- 24,950	- 30,900	- 33,500	-278,731
	Total Withdrawals	- 15,944	-108,601	- 24,372	- 30,844	- 32,712	- 30,900	- 30,950	- 31,550	- 32,180	- 32,800	- 33,500	-388,408
	Contributions (+)	29,348	24,532	32,709	32,709	32,709	30,928	30,928	31,547	32,178	32,821	33,477	343,886
	Total Contributions	29,348	24,532	32,709	32,709	32,709	30,928	30,928	31,547	32,178	32,821	33,477	343,886
Balance at Year-End		134,381	50,313	58,650	60,516	60,513	60,541	60,519	60,516	60,514	60,535	60,512	

* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2021 *	Contributions / (Withdrawals)										Total
			2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	
XR1058	Beginning Balance	273,583	29,055	15,709	13,969	19,822	19,323	18,824	18,325	17,826	17,327	16,828	
Capital Revolving Reserve Fund	Withdrawals (-)												
	Capital	- 28,323	- 3,805	- 644									- 4,449
	Operating	- 219,812	- 9,542	- 1,096	- 147	- 499	- 499	- 499	- 499	- 499	- 499	- 499	- 14,277
	Total Withdrawals	- 248,135	- 13,347	- 1,740	- 147	- 499	- 18,726						
	Contributions (+)	3,607	-	-	6,000	-	-	-	-	-	-	-	9,607
	Total Contributions	3,607	-	-	6,000	-	9,607						
Balance at Year-End		29,055	15,709	13,969	19,822	19,323	18,824	18,325	17,826	17,327	16,828	16,329	

* Based on 9-month 2021 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024**
			\$	\$	\$
Beginning Balance			37,929.3	24,066.1	11,262.6
Insurance	XR1010				
Withdrawals (-)					
Contributions (+)					
Housing Secretariat			58.2	58.2	58.2
Interest Income			65.0	130.2	-
Total Reserve / Reserve Fund Draws / Contributions		-	38,052.5	24,254.6	11,320.9
Other Program / Agency Net Withdrawals & Contributions			(13,986.4)	(12,991.9)	(13,006.1)
Balance at Year-End		37,929.3	24,066.1	11,262.6	(1,685.2)

* Based on 9-month 2021 Reserve Fund Variance Report

** Funds will be added through future years to address the projected shortfall in 2024.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
Beginning Balance			139,421.3	120,075.8	94,501.8
Land Acquisition	XR1012				
<i>Withdrawals (-)</i>					
<i>Housing Secretariat</i>			(12,500.0)		
<i>Contributions (+)</i>					
<i>Interest Income</i>			272.2	791.0	771.7
Total Reserve / Reserve Fund Draws / Contributions		-	127,193.5	120,866.8	95,273.6
Other Program / Agency Net Withdrawals & Contributions			(7,117.7)	(26,365.0)	(3,045.0)
Balance at Year-End		139,421.3	120,075.8	94,501.8	92,228.6

* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
Beginning Balance			9,714.6	5,871.3	4,999.1
Local Improvement Charge Engery Works	XR1724				
<i>Withdrawals (-)</i>					
<i>Housing Secretariat</i>			(193.5)	(193.5)	(193.5)
<i>Contributions (+)</i>					
<i>Interest Income</i>			16.3	40.1	37.7
Total Reserve / Reserve Fund Draws / Contributions		-	9,537.5	5,717.9	4,843.3
Other Program / Agency Net Withdrawals & Contributions			(3,666.2)	(718.9)	(718.9)
Balance at Year-End		9,714.6	5,871.3	4,999.1	4,124.4

* Based on 9-month 2021 Reserve Fund Variance Report

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provide services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Tax Supported Budget: Budget funded by property taxes.